

**MINUTES OF THE  
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENTAL  
QUALITY APPROPRIATIONS SUBCOMMITTEE**

Tuesday, September 19, 2017 • 8:30 a.m. • 210 Senate Building

**Members Present:**

Sen. David P. Hinkins, Senate Chair  
Rep. Kay J. Christofferson, House Chair  
Rep. Scott H. Chew, House Vice Chair  
Sen. Jim Dabakis  
Sen. Margaret Dayton  
Sen. Don L. Ipson  
Sen. Ralph Okerlund  
Sen. Evan J. Vickers  
Rep. Carl R. Albrecht  
Rep. Stewart E. Barlow  
Rep. Susan Duckworth  
Rep. Stephen G. Handy

Rep. Karen Kwan  
Rep. Douglas V. Sagers  
Rep. Christine F. Watkins

**Members Absent:**

Sen. Peter C. Knudson  
Rep. Michael E. Noel  
Rep. Lee B. Perry  
Rep. Keven J. Stratton

**Staff Present:**

Mr. Ivan D. Djambov, Fiscal Analyst  
Mr. Alexander R. Wilson, Fiscal Analyst  
Ms. Greta G. Rodebush, Administrative Assistant

Note: A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1 . Call to Order**

Chair David P. Hinkins called the meeting to order at 8:42 a.m.

**2 . Approval of Minutes**

There were no minutes to approve.

**3 . Agriculture's Fees Review: Fee Amount vs. Costs to Administer**

Ms. LuAnn Adams, Commissioner, Department of Agriculture and Food, presented the fees report and discussed the department's outdated computer system.

Mr. Ivan Djambov, Fiscal Analyst, Office of the Legislative Fiscal Analyst (LFA), displayed Agriculture's fees spreadsheet.

[3-Agriculture Fees](#)

Commissioner Adams discussed the fees for the Organic Food Program.

Chair Hinkins mentioned that the Organic Food Program uses self-imposed fees to stay in operation.

Commissioner Adams continued her presentation.

Mr. Hougaard, Director, Division of Plant Industry and Conservation, gave an update on organic food inspections and responded to committee questions.

Commissioner Adams discussed the Brand Inspection Program.

Mr. Cody James, Director, Animal Industry, and Chief, Livestock Inspection Bureau, responded to questions about the number of brand inspectors, brand inspection costs versus fees, brand inspection of pigs and goats, and the number of elk farms.

Rep. Scott H. Chew commented on Utah's cattle industry and issues related to transporting livestock.

Mr. James commented on protecting the livestock industry from theft.

Commissioner Adams discussed the turnover of inspection staff and the cost of training new inspectors.

Rep. Barlow inquired about staff turnover. Commissioner Adams and Mr. Travis Muller, Director, Regulatory Services, responded and commented on wages and wage discrepancies between federal and local agencies and industry.

Commissioner Adams pointed out that a number of department fees go directly to the General Fund rather than being retained by the programs. She felt that this was a structural issue that needed to be addressed. Commissioner Adams also discussed the growth in the Bedding Program and the need for additional staffing.

#### **4 . SITLA's Fees Review: Fee Amount vs. Costs to Administer**

Mr. David Ure, Director, State Institutional Trust Lands Administration (SITLA) introduced the SITLA fees review.

Ms. Lisa Schneider, Finance Director, SITLA, discussed leasing program fees, credit card processing fees, and late payment fees.

#### **[4-SITLA Fees](#)**

Rep. Kay J. Christofferson asked if there were areas where SITLA could possibly cut costs. Ms. Schneider and Mr. Ure responded.

#### **5 . Budget Review: Wildlife Resources (Rep. Chew)**

Rep. Chew introduced the budget review for Wildlife Resources.

Mr. Kenny Johnson, Administrative Services Chief, Division of Wildlife Resources, presented the budget review for the Division of Wildlife Resources.

Rep. Chew discussed the funding structure for Wildlife Resources by revenue type.

Mr. Johnson discussed division expenditures, reducing tax payer costs, efficiencies and outsourcing, and balances in restricted accounts.

Chair Hinkins asked how the division gages its fees for out-of-state hunters. Mr. Johnson responded.

Rep. Karen Kwan commented on the fishing and wildlife industry in Utah and asked about the wild horse and burro program.

Rep. Sagers asked about the outsourcing of coyote control. Mr. Johnson responded.

Rep. Albrecht spoke in support of the Predator Control Program.

Rep. Watkins expressed her appreciation for the division programs that introduce youth to the outdoors.

Rep. Chew concluded the presentation.

#### **6 . Budget Review: Water Res., Water Ri., Water Loans, Watershed (Rep. Christofferson)**

Rep. Christofferson invited Mr. Eric Millis, Director, Division of Water Resources, Mr. Todd Adams, Deputy Director, Division of Water Resources, and Mr. Kent Jones, State Engineer, to join him for the budget review presentation.

#### [6-Issue Brief - 2017 Interim - Division of Water Rights, Budget Review](#)

Chair Hinkins asked about the amount of federal dollars being spent for dam safety. Mr. Jones responded.

Sen. Dabakis inquired about the Water Infrastructure Restricted Account and the funding of large water development projects. Mr. Millis responded.

Rep. Christofferson discussed the data results on applications and adjudication efforts, current funding structure, reducing taxpayer costs, division spending, and the distribution of sales tax revenue.

Mr. Kent Jones discussed the importance of supporting the adjudication process and the Special Masters program.

Chair Hinkins inquired about the possibility of leveraging federal money set aside for the protection of endangered species to help pay for the Lake Powell Pipeline. Mr. Millis responded.

#### **7 . Budget Review: SITLA Operations (Sen. Dayton)**

Sen. Margaret Dayton introduced the budget review for School and Institutional Trust Lands Administration (SITLA).

Mr. Kim Christy, Deputy Director, SITLA, thanked Sen. Dayton and Rep. Kwan for their work on the budget review assignment. He provided some historical background on trust lands and the creation of SITLA, explained that trust lands are not public lands, and discussed SITLA revenue, growth in the Permanent Fund, distribution of funds, and structure of the Board of Trustees.

#### [7-SITLA Budget Review Presentation](#)

Sen. Dayton commented on the growth in the Permanent Fund.

Ms. Lisa Schneider, Finance Director, SITLA, reviewed the budgets for SITLA's three lines items: Operations, Capital, and Stewardship and responded to questions.

Chair Hinkins asked which budget covers the purchase of water shares. Ms. Schneider responded.

Ms. Schneider reported on the Capital and Stewardship budgets.

#### **8 . Budget Review: SITLA Capital, Stewardship (Rep. Kwan)**

Rep. Kwan commented on the SITLA organization and its proven success.

Sen. Dabakis inquired about SITLA's new funding model, the distribution of funds to schools, and legal mandates related to land exchanges. Ms. Schneider and Mr. Christy responded.

Rep. Sagers asked about the fund balance in the Permanent Fund. Ms. Schneider responded.

Rep. Chew commented on the sale of state land historically. Mr. Christy and Chair Hinkins responded.

Rep. Kwan commented on the agency's ability to efficiently manage trust lands.

Rep. Handy commented on SITLA's renewable energy portfolio.

Sen. Dayton remarked that SITLA is a crucial and vital enhancement to Utah's education community.

Chair Hinkins indicated that the agenda items that were not heard in today's meeting would be moved to the October meeting.

**MOTION:** Rep. Watkins moved to adjourn. The motion passed with a vote of 13 - 0 - 6 .

Yeas-13

Rep. C. Albrecht  
Rep. S. Barlow  
Rep. S. Chew  
Rep. K. Christofferson  
Sen. J. Dabakis  
Sen. M. Dayton  
Rep. S. Duckworth  
Rep. S. Handy  
Sen. D. Hinkins  
Rep. K. Kwan  
Rep. D. Sagers  
Sen. E. Vickers  
Rep. C. Watkins

Nays-0

Absent-6

Sen. D. Ipson  
Sen. P. Knudson  
Rep. M. Noel  
Sen. R. Okerlund  
Rep. L. Perry  
Rep. K. Stratton

Chair Hinkins adjourned the meeting at 10:54 p.m.